



**COMMUNITY DEVELOPMENT DEPARTMENT
HOUSING DIVISION**

DATE: March 22, 2013
TO: Housing and Human Services Commission
FROM: Suzanne Isé, Housing Officer
RE: **FY 2013-14 CDBG/HOME Capital Project Proposals and Evaluations**

In January 2013, the City released a Request for Proposals (RFP) for affordable housing and/or capital project proposals to be funded with HOME and CDBG funds in FY 2013-14. Two proposals were submitted and determined eligible by Housing staff, then reviewed and scored by a panel of three City staff.

The following two proposals were received:

Applicant: **Charities Housing**

Funding Request: **\$850,000 (HOME)**

Project: Armory Studios: A development of 60 studio apartments and a 2 bedroom manager's unit located at 485 N. Wolfe Road. The project will provide 42 units of workforce housing, 11 special needs units for clients of the County Mental Health Services transitioning out of homelessness and 7 units for other homeless applicants. An on-site service coordinator will be available to assist residents by linking them with various community services and programs to help them regain stability and self-sufficiency.

Applicant: **Sunnyvale Community Services**

Funding Request: **\$220,000 (CDBG)**

Project: Work First Sunnyvale: A workforce development program in partnership with the Downtown Streets Team (DST) to provide job readiness training, job skills training, and job placement for low-income Sunnyvale residents who are homeless or at risk of homelessness.

Recommended Action:

1. **Provide a HOME loan of up to \$850,000 for the proposed Armory Studios Project.** Charities Housing has extensive experience in the development, management, and rehabilitation of affordable and special needs housing. Their proposal addresses the Consolidated Plan goals of supporting affordable housing for lower-income households and alleviation of homelessness. The proposal provides a match of approximately 96% of the project cost, well over the minimum matching requirement of 25% stated in the RFP. The proposed budget for the development of Armory Studios is slightly under \$21.9 million. The requested \$850,000 in City HOME funds would cover 4% of this total project cost, at \$14,166 in HOME funds per unit. This subsidy level is well within the HOME per-unit subsidy limits established by HUD. The staff panel gave this proposal an average score of 92.6 out of 100, due in part to the significant need for this and its very high percentage of matching funds.
2. **Provide a \$220,000 CDBG grant to Sunnyvale Community Services for the Sunnyvale Workforce Development Program.** The proposed matching funds, including eligible in-kind contributions, equate to 44% of the total project cost, over the required match of 25%. This program would address the Consolidated Plan objective to help people who are currently homeless or at imminent risk of homelessness to obtain employment or other sources of income and adequate support services/networks to achieve stability.

Given the community need for these services, staff supports the request for a grant of \$220,000 in CDBG funds, which would enable this program to help deliver job search skills and job readiness training to 50 job seekers, attain paid employment opportunities for 10 homeless individuals, and build a network of 15 or more local employers willing to create or hold positions for program participants. The staff panel gave this proposal an average score of 84 out of 100. The primary difference in score compared to the HOME proposal was due to the lower percentage of matching funds provided in the CDBG proposal.